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ARIZONA CORPORATION COMMISSION

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asmc

March 14, 2007

Re: J.D. Power Ranking of Rhodes Homes, Docket Nos. SW-20379A-05-0489 and W-20380A-05-0490

Dear Parties to the Docket:

Today, I am docketing in this case the 2006 J.D. Power and Associates Ranking of home builders in the Las Vegas Market, and the specific ratings given to Rhodes Homes by J.D. Power and Associates.

I wish to have this information considered as a late filed exhibit in this docket.

Sincerely,

Kris Mayes
Commissioner

Cc: Chairman Mike Gleason
Commissioner William A. Mundell
Commissioner Jeff Hatch-Miller
Commissioner Gary Pierce
Brian McNeil
Ernest Johnson
Chris Kempley

Arizona Corporation Commission
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Press Release

J.D. Power and Associates Reports: Del Webb Ranks Highest in Satisfying New-Home Buyers in Las Vegas

Centex Homes and Pulte Homes Rank Second in a Tie

WESTLAKE VILLAGE, Calif.: 13 September 2006 — Del Webb ranks highest in home builder customer satisfaction in the Las Vegas market, according to the J.D. Power and Associates 2006 New-Home Builder Customer Satisfaction StudySM released today.

The study, now in its 10th year, includes satisfaction ratings of builders in 34 of the largest U.S. home-building markets. Ten factors drive overall satisfaction with home builders. They are (in order of importance): builder's warranty/customer service; home readiness; builder's sales staff; construction manager; quality of workmanship/materials; price/value; physical design elements; builder's design center; recreational facilities; and location.

Del Webb improves 4 index points from 2005 and performs particularly well in the Las Vegas market in six of the 10 factors: builder's warranty/customer service; home readiness; construction manager; builder's design center; recreational facilities; and location.

Following Del Webb in the market rankings are Centex and Pulte Homes in a tie.

The average customer satisfaction index score in Las Vegas is 112—matching the 34-market average.

“New-home builders today are facing challenges unlike any they've experienced in recent years,” said Paula Sonkin, executive director of the real estate industries practice at J.D. Power and Associates. “Over the past few years, home builders have often been in an order-taking mode, enjoying record closings and enthusiastic buyers. However, as the market softens and inventories rise, builders now find themselves in more of a selling mode, forcing them to negotiate prices and offer incentives at the same time they struggle with labor issues and increasing building material costs. As builders fight for every sale they close in this downturned market, a reputation for customer satisfaction becomes more important than ever, as it helps builders differentiate themselves from the competition.”

In addition to the intense market conditions faced by builders, the number of construction problems experienced by new-home buyers is on the rise. The study finds that the typical buyer experiences an average of 14 problems with their new home—a 7 percent increase from 2005. In Las Vegas, new-home buyers experience an average of 12 problems. More than 90 percent of new-home buyers report experiencing at least one construction problem. The most frequently occurring construction problems in Las Vegas involve kitchen cabinet quality and finish, exterior paint, and landscaping.

To be included in the study, Las Vegas-area builders must have closed 150 or more homes in the market in 2005. The new homes are located in Clark County.

The 2006 New-Home Builder Customer Satisfaction Study is based on responses from 60,927 buyers of newly built single-family homes who provided feedback after living in their homes from four to 18 months, on average. There were 3,050 respondents in the Las Vegas market.

For more comprehensive builder ratings for all 34 U.S. markets, visit www.jdpower.com

About J.D. Power and Associates

Headquartered in Westlake Village, Calif., J.D. Power and Associates is an ISO 9001-registered global marketing information services firm operating in key business sectors including market research, forecasting, consulting, training and customer satisfaction. The firm's quality and satisfaction measurements are based on responses from millions of consumers annually. J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

About The McGraw-Hill Companies

Founded in 1888, The McGraw-Hill Companies is a leading global information services provider meeting worldwide needs in the financial services, education and business information markets through leading brands such as Standard & Poor's, McGraw-Hill Education, BusinessWeek and J.D. Power and Associates. The Corporation has more than 290 offices in 38 countries. Sales in 2005 were \$6.0 billion. Additional information is available at <http://www.mcgraw-hill.com>.

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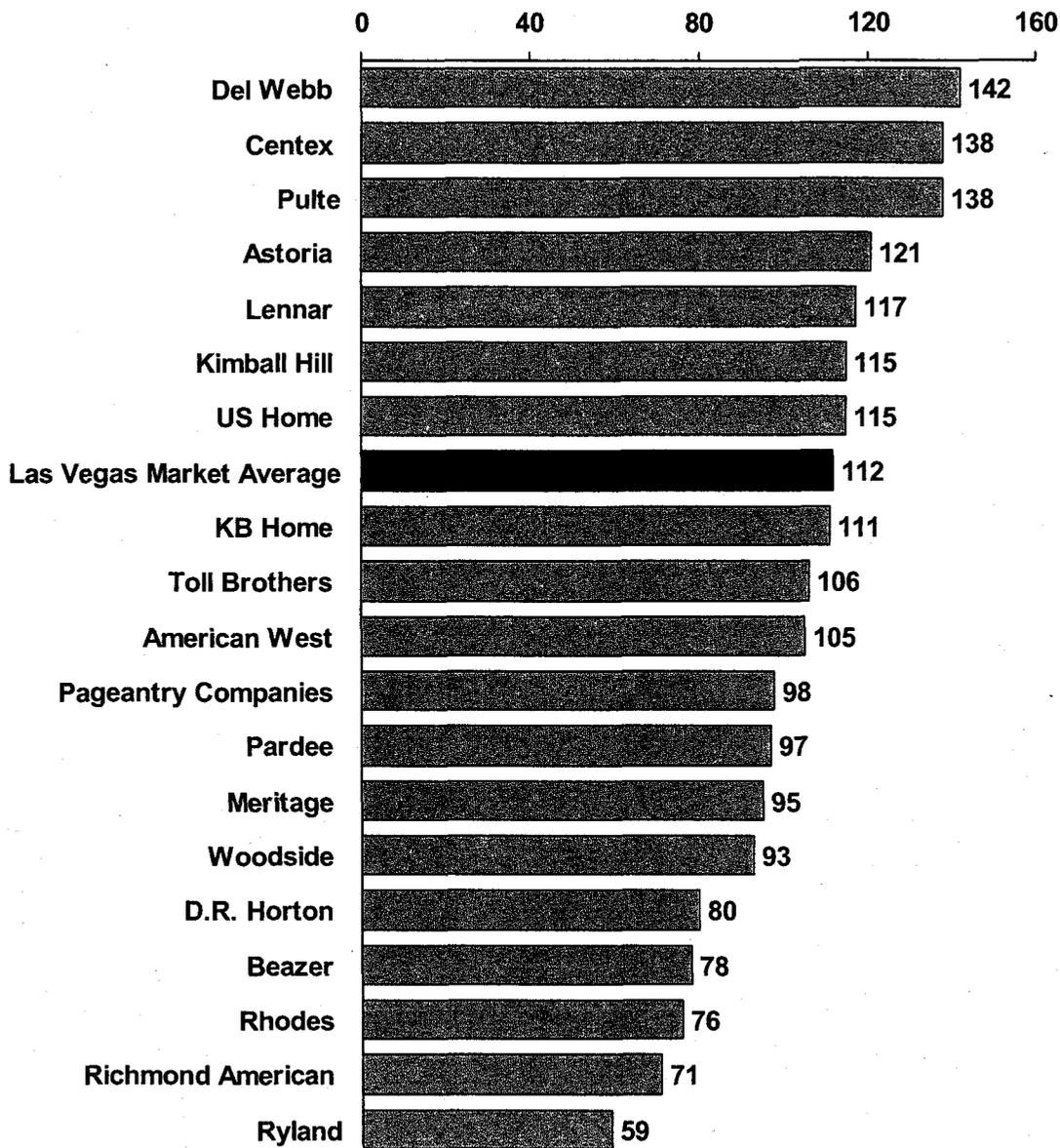
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(Page 2 of 2)

NOTE: Four charts follow.

J.D. Power and Associates 2006 New-Home Builder Customer Satisfaction StudySM

Overall Satisfaction Index Scores *Las Vegas*



Source: J.D. Power and Associates 2006 New-Home Builder Customer Satisfaction StudySM

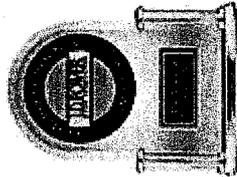
Charts and graphs extracted from this press release must be accompanied by a statement identifying J.D. Power and Associates as the publisher and the J.D. Power and Associates 2006 New-Home Builder Customer Satisfaction StudySM as the source. No advertising or other promotional use can be made of the information in this release or J.D. Power and Associates study results without the express prior written consent of J.D. Power and Associates.

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Home Builder Ratings

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2006 New-Home Builder Customer Satisfaction Study



Las Vegas

Award Recipient: Del Webb

[Read the press release](#)

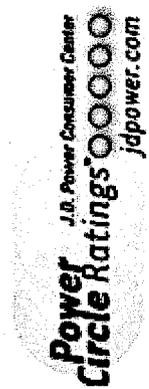
Company	Overall Customer Satisfaction	Quality of Workmanship & Materials	Price & Value	Home Design
Del Webb Award Recipient	★★★★★	★★★★★	★★★★★	★★★★★
American West	★★★★	★★★★	★★★★	★★★★
Astoria	★★★★	★★★★	★★★★	★★★★

Beazer	●●●●●	●●●●●	●●●●●	●●●●●
Centex	●●●●●	●●●●●	●●●●●	●●●●●
D.R. Horton	●●●●●	●●●●●	●●●●●	●●●●●
KB Home	●●●●●	●●●●●	●●●●●	●●●●●
Kimball Hill	●●●●●	●●●●●	●●●●●	●●●●●
Lennar	●●●●●	●●●●●	●●●●●	●●●●●
Meritage	●●●●●	●●●●●	●●●●●	●●●●●
Pageantry Companies	●●●●●	●●●●●	●●●●●	●●●●●
Pardee	●●●●●	●●●●●	●●●●●	●●●●●
Pulte	●●●●●	●●●●●	●●●●●	●●●●●
Rhodes	●●●●●	●●●●●	●●●●●	●●●●●
Richmond American	●●●●●	●●●●●	●●●●●	●●●●●
Ryland	●●●●●	●●●●●	●●●●●	●●●●●
Toll Brothers	●●●●●	●●●●●	●●●●●	●●●●●
US Home	●●●●●	●●●●●	●●●●●	●●●●●
Woodside	●●●●●	●●●●●	●●●●●	●●●●●

Scoring Legend

●●●●● Among the best ●●●●● Better than most ●●●●● About average ●●●●● The rest

Please note that J.D. Power Consumer Center ratings may not include all information used to determine J.D. Power and Associates awards.

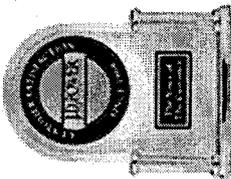


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Home Builder Ratings

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2006 New-Home Builder Customer Satisfaction Study

Rhodes

[Read the press release](#)

Company	Overall Customer Satisfaction	Quality of Workmanship & Materials	Price & Value	Home Design
Rhodes (Las Vegas)	●●●●●	●●●●●	●●●●●	●●●●●

Scoring Legend

●●●●● Among the best ●●●●● Better than most ●●●●● About average ●●●●● The rest